

Program C: Community Development Block Grant Program

Program Authorization: Title I of the Housing and Community Development Act of 1974 as Amended

PROGRAM DESCRIPTION

The mission of the Community Development Block Grant (CDBG) Program in the Division of Administration is to provide financial assistance to units of general local government in non-entitlement areas of the state for the development of viable communities by providing decent housing and a suitable living environment and expanding opportunities, principally for persons of low-to-moderate income, in accordance with federal statutory requirements and within the framework of the Division of Administration's mission. Non-entitlement areas are municipalities with a population of less than 50,000 and parishes with an unincorporated population of less than 200,000. There are currently 340 local governing bodies in Louisiana that meet this definition.

The goal of the Community Development Block Grant Program in the Division of Administration is to improve the quality of life of the citizens of the State of Louisiana, principally those of low and moderate income, through the effective administration of the Louisiana Community Development Block Grant Program.

The Community Development Block Grant Program in the Division of Administration was created in 1974 under Title I of the Housing and Community Development Act. Two different programs were created by this act: (1) the entitlement program, which guarantees an annual allocation to metropolitan cities and urban counties, and (2) a non-entitlement program, which is referred to as the small cities program. The U.S. Department of Housing and Urban Development (HUD) initially administered both programs. Because of the continuing criticism among small cities that HUD was not being responsive to their needs, President Reagan, as part of the "new federalism" platform gave the states the option of administering the small cities program. This option was intended to give state and local governments greater flexibility and more discretion in addressing specific needs at the local level. The State of Louisiana assumed the administration of the small cities program in 1982.

Each activity funded under the LCDBG Program must meet one of the following two national objectives: (1) principal benefit (at least 60%) to low and moderate income persons, and (2) elimination or prevention of slums and blight. There are a variety of activities eligible for funding under the LCDBG Program; these include housing rehabilitation, public facilities (infrastructure improvements such as water, sewer, gas, and streets), community centers, parks, social programs, and economic development (assistance to for-profit businesses). Each state was allowed the flexibility of determining its priorities from that range of eligible activities. Since the inception of Louisiana's program, input has been sought from officials with the local governing bodies by means of surveys, public hearings, and written comments on proposed plans. That input has been used in the establishment of program priorities. Selection and rating systems for the review of the LCDBG applications were designed to ensure that the national objectives and goals of the state will be met and that the most severely needed projects are funded.

The distribution of LCDBG funds by program category is evaluated each two-year funding cycle. Through the previously described methods, the Division of Administration's Office of Community Development (the organizational unit responsible for the LCDBG Program) solicited comments and suggestions prior to designing its FY 1996 and FY 1997 programs. As a result, the majority of the state's LCDBG funds were allocated to public facilities (including demonstrated needs projects that fund emergency projects); funds were also allocated for economic development and housing. Beginning with the FY 1996 LCDBG Program and continuing with the FY 1997 LCDBG Program, monies were also allocated for a pilot project (Comprehensive Community Development Fund). In addition to addressing infrastructure, housing, and economic development needs, the pilot program allows for financial assistance to address social service and planning needs.

Street improvements and water and sewer projects were identified as the highest public facilities priorities of the local governing bodies. Therefore, they were identified as the top priorities under the FY 1996 and FY 1997 LCDBG programs. The percentage distribution of funds among the public facilities priorities (subcategories) is based upon the number/percentage of applications received and the amount of funds requested for each priority. Half of the funds are distributed based on the percentage of applications received in each subcategory and half on the basis of amount of funds requested in each subcategory.

The LCDBG Program is very competitive because the amount of funds requested annually always far exceeds the amount of funds available. For example, under the FY 1997 program, there were 205 applications requesting approximately \$109.4 million for public facility projects. However, there was only \$26 million available to fund approximately 55--or one out of every four--public facility applications. Because of this, the Office of Community Development has designed a rating/point system to target the most severely needed projects. The highest ranked applications are funded to the extent that monies are available.

OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2000-2001. Performance indicators are made up of two parts: name and value. The indicator Name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

The objectives and performance indicators that appear below are associated with program funding in the Base Executive Budget for FY 2000-01. Specific information on program funding is presented in the financial sections that follow performance tables.

1. (KEY) To obtain Community Development Block Grant Allocation from the U.S. Department of Housing and Urban Development on an annual basis.

Strategic Link: This operational objective is a recurring step towards accomplishing Strategic Objective 1: *To obtain Community Development Block Grant allocation from the U.S. Department of Housing and Urban Development on an annual basis.*

Explanatory Note: The annual allocation for Louisiana is based on federal appropriation; the Office of Community Development has no control over the appropriated amount.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD	ACTUAL YEAREND PERFORMANCE	ACT 10 PERFORMANCE STANDARD	EXISTING PERFORMANCE STANDARD	AT CONTINUATION BUDGET LEVEL	AT RECOMMENDED BUDGET LEVEL
		FY 1998-1999	FY 1998-1999	FY 1999-2000	FY 1999-2000	FY 2000-2001	FY 2000-2001
K	Amount of LCDBG funds received	Not applicable ¹	\$36,294,000	\$36,000,000	\$36,000,000	\$36,000,000	\$36,000,000

¹ This was a new performance indicator for FY 1999-00. It did not appear under Act 19 of 1998 and has no FY 1998-99 performance standard.

2. (KEY) To obligate 95% of the CDBG federal allocation within twelve months of receipt from the U.S. Department of Housing and Urban Development in a cost-effective manner.

Strategic Link: This operational objective is a recurring step towards accomplishing Strategic Objective 2: *To obligate 95% of the Community Development Block Grant allocation from the U.S. Department of Housing and Urban Development within twelve months in a cost effective manner.*

Explanatory Note: Corresponds to the FY 2000 Louisiana Community Development Block Grant (LCDBG) federal allocation/program year (April 1, 200 - March 31, 2001). The annual allocation for Louisiana is based on federal appropriation; the Office of Community Development has no control over the appropriated amount.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Percentage of annual LCDBG allocation obligated within twelve months of receipt	95%	100.7%	95%	95%	95%	95%
S	Total amount of LCDBG funds obligated	Not applicable ¹	\$35,105,180	\$34,200,000	\$34,200,000	\$34,820,000	\$34,820,000
S	Percentage of LCDBG funds obligated ²	95%	100.7%	95%	95%	95%	95%

¹ This was a new performance indicator for FY 1999-00. It did not appear under Act 19 of 1998 and has no FY 1998-99 performance standard.

² The formula for calculating this percentage is: amount awarded to local governing bodies divided by federal allocation received less monies allocated for state's administration and technical assistance activities.

3. (SUPPORTING) To administer the Community Development Block Grant Program in an effective and efficient manner.

Strategic Link: This operational objective is a recurring step towards accomplishing Strategic Objective 3: *To administer the Community Development Block Grant in an efficient and effective manner.*

Explanatory Note: Corresponds to the FY 2000 Louisiana Community Development Block Grant federal allocation/program year (April 1, 2000-March 31, 2001).

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
S	Number of local grants monitored	75	100	75	75	75	75
S	Number of local grants closed out	80	77	80	80	80	80

GENERAL PERFORMANCE INFORMATION: COMMUNITY DEVELOPMENT BLOCK GRANT				
PROGRAM PARAMETER	PRIOR YEAR ACTUAL FY 1995-96	PRIOR YEAR ACTUAL FY 1996-97	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99
Total number of applications received	225	342	260	325
Number of applications received, by type of grant:				
Housing	3	16	13	12
Public Facilities	195	283	206	278
Demonstrated Needs	18	25	17	22
Economic Development	9	5	10	11
Comprehensive Community Development	Not available	13	12	Not available
LaSTEP ¹	Not available	Not available	2	2
Total funds requested	\$116,677,388	\$178,844,370	\$132,621,533	\$166,152,807
Funds requested, by type of grant:				
Housing	\$1,505,000	\$9,163,850	\$6,878,880	\$6,485,775
Public Facilities	\$107,093,382	\$149,215,812	\$103,625,286	\$150,245,218
Demonstrated Needs	\$3,652,409	\$5,034,212	\$3,566,616	\$4,204,059
Economic Development	\$4,426,597	\$2,455,496	\$6,111,748	\$4,728,527
Comprehensive Community Development	Not available	\$12,975,000	\$12,123,433	Not available
LaSTEP ¹	Not available	Not available	\$315,570	\$589,228
Total number of applications funded	83	95	81	78
Number of applications funded, by type of grant:				
Housing	3	4	4	4
Public Facilities	64	77	61	53
Demonstrated Needs	13	8	8	11
Economic Development	3	5	6	8
Comprehensive Community Development	Not available	1	1	Not available
LaSTEP ¹	Not available	Not available	1	2

GENERAL PERFORMANCE INFORMATION: COMMUNITY DEVELOPMENT BLOCK GRANT (Continued)

PROGRAM PARAMETER	PRIOR YEAR ACTUAL FY 1995-96	PRIOR YEAR ACTUAL FY 1996-97	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99
Total funds awarded	\$39,264,610	\$40,236,316	\$36,698,153	\$31,292,812
Funds awarded, by type of grant:				
Housing	\$1,505,000	\$2,000,000	\$1,931,430	\$1,984,775
Public Facilities	\$33,265,718	\$33,149,518	\$29,133,513	\$24,157,978
Demonstrated Needs	\$2,500,000	\$1,779,735	\$1,709,820	\$2,013,892
Economic Development	\$1,994,165	\$2,455,496	\$2,923,390	\$2,546,939
Comprehensive Community Development	Not available	\$815,567	\$1,000,000	Not available
LaSTEP	Not available	Not available	\$165,570	\$589,228
Total number of persons benefitting from grants	94,638	85,535	96,076	60,225
Number of persons benefitting, by type of grant:				
Housing	204	466	624	490
Public Facilities, Demonstrated Needs, Comprehensive Community Development, and LaSTEP	94,212	84,828	95,091	59,496
Economic Development	222	241	361	239
Percentage of beneficiaries who are of low/moderate income	80.47%	82.29%	79.86%	81.06%
Percentage of beneficiaries who are of low/moderate income, by type of grant:				
Housing	100%	100%	100%	100%
Public Facilities, Demonstrated Needs, Comprehensive Community Development, and LaSTEP	80.43%	82.24%	79.91%	80.97%
Economic Development	77.48%	66.80%	67.04%	66.53%
Number of jobs created/retained by economic development projects	222	241	361	239

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1998-1999	ACT 10 1999- 2000	EXISTING 1999- 2000	CONTINUATION 2000 - 2001	RECOMMENDED 2000 - 2001	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$9,705	\$378,601	\$378,601	\$405,483	\$349,272	(\$29,329)
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	0	0	0	0	0	0
Statutory Dedications	0	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	42,774,962	76,831,187	76,831,187	76,854,456	76,798,246	(32,941)
TOTAL MEANS OF FINANCING	\$42,784,667	\$77,209,788	\$77,209,788	\$77,259,939	\$77,147,518	(\$62,270)
EXPENDITURES & REQUEST:						
Salaries	\$708,668	\$705,670	\$809,910	\$835,651	\$804,152	(\$5,758)
Other Compensation	15,043	18,174	18,174	18,174	18,174	0
Related Benefits	96,597	102,836	115,342	118,880	122,862	7,520
Total Operating Expenses	92,723	100,246	102,246	103,118	97,375	(4,871)
Professional Services	0	0	0	0	0	0
Total Other Charges	41,852,988	76,282,862	76,164,116	76,164,116	76,084,955	(79,161)
Total Acq. & Major Repairs	18,648	0	0	20,000	20,000	20,000
TOTAL EXPENDITURES AND REQUEST	\$42,784,667	\$77,209,788	\$77,209,788	\$77,259,939	\$77,147,518	(\$62,270)
AUTHORIZED FULL-TIME EQUIVALENTS: Classified	17	17	17	17	18	1
Unclassified	0	0	0	0	0	0
TOTAL	17	17	17	17	18	1

SOURCE OF FUNDING

This program is funded with State General Fund and Federal Funds. The Federal Funds are derived from the U.S. Department of Housing and Urban Development.

ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$378,601	\$77,209,788	17	ACT 10 FISCAL YEAR 1999-2000
			BA-7 TRANSACTIONS:
\$0	\$0	0	None
\$378,601	\$77,209,788	17	EXISTING OPERATING BUDGET – December 3, 1999
\$7,588	\$15,176	0	Annualization of FY 1999-2000 Classified State Employees Merit Increase
\$6,608	\$13,217	0	Classified State Employees Merit Increases for FY 2000-2001
(\$629)	(\$4,871)	0	Risk Management Adjustment
\$10,000	\$20,000	0	Acquisitions & Major Repairs
(\$45,100)	(\$90,200)	0	Salary Base Adjustment
(\$8,239)	(\$16,478)	0	Attrition Adjustment
\$443	\$886	0	Civil Service Fees
\$0	\$0	1	Add new Project Manager position
\$349,272	\$77,147,518	18	TOTAL RECOMMENDED
\$0	\$0	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$349,272	\$77,147,518	18	BASE EXECUTIVE BUDGET FISCAL YEAR 2000-2001
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE
\$349,272	\$77,147,518	18	GRAND TOTAL RECOMMENDED

The total means of financing for this program is recommended at 99.9% of the existing operating budget. It represents 99.7% of the total request (\$77,334,411) for this program. Existing funds were used to fund the Project Manager position.

PROFESSIONAL SERVICES

This program does not have funding for Professional Services for Fiscal Year 2000-2001.

OTHER CHARGES

\$76,082,518 Community Development Block Grants for local communities

\$76,082,518 SUB-TOTAL OTHER CHARGES

Interagency Transfers:

\$2,437 Department of Civil Service

\$2,437 SUB-TOTAL INTERAGENCY TRANSFERS

\$76,084,955 TOTAL OTHER CHARGES

ACQUISITIONS AND MAJOR REPAIRS

\$20,000 Replacement of vehicles

\$20,000 TOTAL ACQUISITIONS AND MAJOR REPAIRS